



Town of New Durham, New Hampshire

TRUSTEES OF TRUST FUNDS MEETING

MINUTES of December 5, 2022

Attendees: Bookkeeper Angela Pruitt, Trustee David Bickford, Trustee David Allyn, Finance Manager (FM) Kathleen Blaney

The meeting was called to order by Trustee Allyn at 6:01 PM.

- The Trustees of Trust Funds (TOTF) reviewed and approved the minutes of November 7, 2022, as written. (Move: Bickford. Second: Pruitt. **Passed unanimously.**)

Old Business:

- The Trustees reviewed the thirteen (13) requests for fund transfers from the Dry Hydrant and Road Reconstruction Capital Reserve Funds (CRF) for the 319 Project that were tabled during the meeting of Nov. 7, 2022, due to lack of supporting documentation, specifically, the minutes of the meetings where the votes to expend were taken. Minutes of the meeting of October 27, 2022, were provided as documentation. Twelve (12) of the thirteen were approved as a group (Move: Bickford. Second: Pruitt. **Passed unanimously**) and are listed below:
 - \$98.00 from the Dry Hydrant CRF payable to Ethan Fulk (invoice 72022) for the purchase of Napac Couplings.
 - \$7,276.60 from the Road Reconstruction CRF payable to Water Industries (invoice 138132) for culvert materials for the 319 Project.
 - \$2,030.68 from the Road Reconstruction CRF payable to Equipment East (invoice 02-122780) for expenses incurred on the 319 Project.
 - \$1,217.08 from the Road Reconstruction CRF payable to Brox Industries (invoice 657460) for rip rap for the 319 Project.
 - \$1,302.00 from the Road Reconstruction CRF payable to Radford Messenger (invoice 7221) for crushed gravel for the 319 Project.
 - \$976.50 from the Road Reconstruction CRF payable to Radford Messenger (invoice 7257) for expenses incurred on the 319 Project.
 - \$632.00 from the Road Reconstruction CRF payable to Water Industries (invoice 138670) for culvert materials for the 319 Project.
 - \$4,100.95 from the Road Reconstruction CRF payable to Weston & Sampson Engineers (invoice 4221265) for engineering services performed for the 319 Project.

- \$65.48 from the Road Reconstruction CRF payable to AJ Cameron's Sod Farms (invoice 497669) for expenses incurred on the 319 Project.
 - \$596.00 from the Road Reconstruction CRF payable to Chappell Tractor (invoice P41685) for expenses incurred on the 319 Project.
 - \$69.39 from the Road Reconstruction CRF payable to Chappell Tractor (invoice P44142) for a landscape rake for the 319 Project.
 - \$650.00 from the Road Reconstruction CRF payable to AJ Cameron's Sod Farms (invoice 492440) for hydroseeding on the 319 Project.
- The thirteenth tabled request was for \$65.00 payable to AJ Cameron's Sod Farms, also for the 319 Project, and was approved contingent upon the TOTF Bookkeeper's receipt of proof of payment from the Town Finance Manager for the services.
- Two of the aforementioned twelve requests for fund transfers were for gravel purchased for the 319 Project. The Trustees inquired as to whether these funds should have come from the Gravel CRF. FM Blaney followed up with the Town Road Agent who said the Road Reconstruction CRF was the proper fund. Research showed the Gravel CRF was created for the purpose of purchasing a gravel pit or material from which to produce gravel.
- Proper and sufficient supporting documentation was provided for the request for the transfer of \$34,235.00 from the Police Cruiser (CRF) payable to Irwin Automotive Group (PO 0377). This request had been rejected at the Nov. 7, 2022, TOTF meeting due to lack of supporting documentation and is now approved. (Move: Bickford. Second: Pruitt. **Passed unanimously**.)
- The Trustees reviewed and approved a request from the Board of Selectmen (BOS) for the transfer of \$1,445.00 from the Computer Office & Equipment Expendable Trust Fund (ETF) payable to Lakes Region Computer (invoice LAKESIN4879) for management of Town networks, servers, virtual servers, and workstations. (Move: Allyn. Second: Pruitt. **Passed unanimously**.)
- Trustee Allyn provided a list of seven trust funds for cemetery care and maintenance. The Trustees researched and discussed the creation, verbiage, and intent of each trust and identified some that appear to be redundant. One such trust is the John Shirley Memorial Cemetery Expendable Trust Fund created in 1989 for the purpose of erecting a fence around and tarring the road of the cemetery. The ETF was voted to be discontinued by Article 10 at Town Meeting in 1994 but is still on the books. The Bookkeeper will close the fund subaccount and transfer the balance to the Town General Fund per Article 10. Of the six remaining trusts, two name the Cemetery Trustees as agents to expend, two name the BOS, and two do not name any agents which generally means that duty falls to the TOTF. FM Blaney will follow up with the New Hampshire Municipal Association (NHMA) to inquire about who should request funds for the reimbursement of cemetery maintenance costs. The TOTF will follow up with discussions with the chair of the Cemetery Trustees and Town Administrator regarding the consolidation of duplicate trusts and fiduciary responsibilities.
- The Trustees discussed the differences between the Shirley Charity Trust and the Shirley Timber Trust to clear up wording used by the BOS in a prior request for funds. Per Section 1 of the Last Will and Testament of John C. Shirley his "personal property, including bank deposits, bonds, cash on hand, and proceeds from the sale of personal effects would be held in perpetual trust, the income thereof to be administered by the Overseers of the Poor for the benefit of the needy, poor residents of the Town of New Durham." Therefore, the principal of the trust cannot be expended, and the agent to expend is now the Town Welfare Officer or

designee. The intended use is for charitable donations to needy citizens of New Durham. Section 4 of the will directs, "The proceeds from the sale of wood and timber . . . be used for the benefit of the Town of New Durham for such lawful purposes as the Town may direct at its annual meetings." Therefore, the Town voters are the agents to expend, and the uses are not limited to charitable purposes, but any "lawful purposes." FM Blaney will follow up with the NHMA and/or Town Counsel as to whom the TOTF might contact for clarification on the term "perpetual" as used in the will quoted above as well as in warrant articles put before the Town for vote.

- Trustee Pruitt has amended the Elmer C. Smith Scholarship form to include a line for the applicant's email address, so award notices and stipulations may now be sent to recipients electronically. The change is now reflected in the application form posted on the Town website.
- Following up on a discussion of trust fund deposit insurance, Trustee Pruitt contacted TD Bank to inquire about any limitations on insurance on the trust funds. The funds are insured by the FDIC for the first \$250,000 and through FHLB PITT/BNY Mellon Letter of Credit Program for any amount over \$250K.
- Trustee Allyn reported on email communication he had with Amy Nichols of the Charitable Trusts Unit (CTU) of the New Hampshire Department of Justice regarding the required documentation and best practices in order for the TOTF to transfer funds from a CRF or ETF. The New Durham TOTF have historically held to the practice of requiring three documented items:
 - A completed request form signed by a majority of the Selectmen which states the date the vote to expend was taken, the CRF/ETF from which to transfer the funds, the amount requested, and a brief description of the purpose of the funds.
 - A record of the vote, i.e., a copy of the meeting minutes at which the vote was taken.
 - Proof of payment, e.g., copies of check stubs, credit card statements, cash receipts, or printed receipts for online purchases.

The question from the TOTF was regarding the necessity of requiring the record of the vote, specifically, copies of the meeting minutes due to their availability at the time of TOTF review. The response from the CTU was that only the first bullet item above is required in order for the CTU and the Department of Revenue Administration (DRA) to perform their reviews. She added that the date of the vote should be checked to ensure its accuracy and went on to state, "With this said, both DRA and CTU believe that for best practices and a complete audit trail, you should have available for your auditors the other items you mentioned below in your email. If you have a process to be able to retrieve those items should the auditors request it during the audit process, then I would think that would suffice. Neither CTU or DRA believe that we would request the additional information on a normal basis. DRA did [sic] mention to me that they review the MS5 and the MS9 report. The MS5 is typically prepared by the auditors who may utilize the additional information. It may be good to check with them to see what information they need to review for this report. CTU does not use the MS5 report."

The TOTF reached a consensus in that for the foreseeable future, in order to transfer funds the TOTF will require from the agents to expend:

- A completed request form signed by a majority of the agents to expend which states the date the vote to expend was taken, the CRF/ETF from which to transfer the funds, the amount requested, and a brief description of the purpose for the funds.
- A copy of the invoice for materials and/or services provided.
- Proof of payment, e.g., copies of check stubs or the check register, credit card statements, cash receipts, or printed receipts for online purchases.

Minutes of the meeting cited in the request may be checked by any Trustee to ensure accuracy. This process will be reviewed no later than the end of the first quarter of 2023.

New Business:

- The Trustees reviewed and approved a request from the BOS for the transfer of \$7,500.00 from the Shirley Timber Trust to the General Fund for contributions to charitable service organizations. (Motion: Pruitt. Second: Allyn. **Passed unanimously**.) The breakdown is as follows:
 - Haven -- \$500.00
 - Kingswood Youth Center -- \$1500.00
 - Strafford Nutrition Meals On Wheels -- \$1500.00
 - Cornerstone VNA -- \$2000.00
 - Community Action Partnership -- \$2000.00
- Per RSA 202-A:22, "Trust funds given to towns and cities for the use of a public library shall be held in the custody of and under the management of the trustees of trust funds. The entire income from such funds shall be paid over to the library trustees as the same is received." FM Blaney will follow up with the NHMA to see if any trusts held by the TOTF for the New Durham Public Library are affected by this statute. If so, the TOTF will meet with the Library Trustees to determine if any funds should be transferred, as the Library Trustees have the option to allow the funds to accumulate in the CRF or ETF established.
- Trustee Pruitt announced she will be seeking re-election to the Trustees at the 2023 election. There were cheers all around.

The meeting was adjourned by Trustee Allyn at 9:17 PM. (Motion: Bickford. Second: Pruitt. **Passed unanimously**.)

Respectfully submitted,
David Allyn,
Trustee of Trust Funds
New Durham, NH